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Executive Director

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**SUPPORT: SB 781 - Offshore Wind Energy – State Goals and Procurement  
(Promoting Offshore Wind Energy Resources Act)**

Chairman Feldman and Members of the Committee:

Maryland LCV supports SB 781, which sets a state goal of 8.5 gigawatts (GW) of offshore wind by 2031, addresses transmission and grid capacity, strengthens labor standards, and builds out the existing wind lease areas in a way that pays for clean energy infrastructure without falling on the backs of ratepayers. This is a comprehensive package to support not just the development of offshore wind, but support for every step of the process to power Marylanders' homes with renewable energy in a cost effective and equitable way.

**Setting an ambitious goal of 8.5 gigawatts of offshore wind**

It is expected that within a year, the Federal Bureau of Ocean Energy Management (BOEM) will finalize the maps to specify where additional offshore wind turbines can be built. Issuing these maps is a lengthy process that incorporates feedback from a wide variety of stakeholders, and does not happen often. By stating in law that Maryland intends to build 8.5 GW of offshore wind, the state can help ensure BOEM designates lease areas large enough for Maryland to meet that goal. Delaying setting this goal for just one year could permanently hamper Maryland's offshore wind development.

**Beginning a process to prepare Maryland's grid for more offshore wind energy**

Without substantial upgrades to the grid, our state will be limited in how much offshore wind we will be able to build. The POWER Act directs the Public Service Commission (PSC) to first conduct a study on transmission solutions, and then issue a request for proposals to build a shared transmission infrastructure that all future offshore wind projects could plug into. Should it decide to award a contract, the PSC will then work with the party awarded the contract to get the necessary approvals to begin building. Crucially, the PSC is authorized to not select any winner from the RFP, and will only declare a winner if they find the bid to be in Maryland's interest.

**Strengthening labor standards**

The POWER Act builds on existing policy by extending labor standards further upstream in the manufacturing supply chain, establishing labor standards for maintenance of the turbines, setting Buy American requirements for turbines, and including robust community benefit agreement provisions.

### **Further building out existing lease areas**

Through the Clean Energy Jobs Act of 2019 and the Offshore Wind Energy Act of 2013, Maryland is currently building ~ 2 GW of offshore wind energy which should be running by 2026. The projects are being developed by Ørsted and US Wind in lease areas they have already purchased from BOEM. Those lease areas have room in them for about another gigawatt of offshore wind. The POWER Act says that the Department of General Services (DGS) may enter into Power Purchase Agreements to procure an additional gigawatt of power in those lease areas. If DGS chooses to buy the additional wind energy, they would then sell the electricity back to the PJM at market rate. So long as the cost of offshore wind energy is less than the cost of standard offer service, which modeling reference above says is likely to be the case, then Maryland will make money in this process. In either case, ratepayers would be entirely protected. This approach ensures utility energy rates will not be increased because of the additional offshore wind procurement.

In the [September 2022 Greenhouse Gas Reduction Act Progress Report](#), the Maryland Department of the Environment identified the need to deploy more renewable energy and identified offshore wind as one of the most reliable clean energy resources available to the state. The POWER Act's support for offshore wind provides a key way to implement the landmark Climate Solutions Now Act, which puts us on a path to reduce our greenhouse gas (GHG) emissions 60% by 2031, and is also how we will achieve 100% clean energy goals.

And it's not just about environmental benefits. [A recent report from Gabel Associates](#) found that if Maryland builds 8.5 GW of offshore wind, it could save Marylanders \$4.7 billion over 30 years in reduced energy costs, and could save Marylanders as much as \$28.5 billion when accounting for environmental and health benefits. That's more than \$20 billion in potential cost savings from environmental and health benefits of reduced air pollution, including lost workdays, hospital visits, asthma, and respiratory disease.

The POWER Act takes a comprehensive look at offshore wind, and recognizes it's not just about the quantity of wind we need to be producing, but also the quality of life for Marylanders engaging in every step of the process. This bill is a priority for Maryland LCV, and we strongly urge a favorable report.